

The US Medicare debate

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Much attention in the US presidential campaign has been focused of late on Medicare, the health care program relied upon by some 50 million elderly Americans. Democrat Barack Obama and his Republican opponent Mitt Romney are trading accusations about placing Medicare in jeopardy, while both parties and both candidates are in agreement that drastic cuts are required to “save” the government-run program.

The discussion surrounding Medicare is a particularly cynical component of a highly manipulated, anti-democratic process through which the bourgeoisie is vetting its political representatives and deciding who it believes will best carry out its dictates over the next four years. The so-called Medicare debate is a façade behind which the two big business parties are preparing an unprecedented attack on not only Medicare, but Social Security and all that remains of the social welfare programs enacted since the New Deal.

It is a phony debate. There is no serious public discussion of changes that will impact millions of people. No congressional hearings are being held. The real implications of the plans of both parties are concealed from the public by both the candidates and the media. Excluded from the so-called debate is any proposal that rejects as its starting point the defense of the profits of health industry corporations, rather than the well-being of the population.

An examination of the positions of the presidential candidates on Medicare demonstrates that, whatever their tactical differences, both are committed to deep cutbacks to a program that has broad and deeply felt popular support. Their posturing as the defenders of seniors’ health care is a play for votes and reflects their recognition that there is little popular backing for the type of cutbacks that are being prepared.

As part of the Affordable Care Act, the Obama administration has already set into motion \$716 billion

in cutbacks to Medicare in the form of reduced payments to hospitals, doctors, Medicare Advantage HMOs and other health care providers. The savings are to go toward funding subsidies for individuals who will be required to buy private insurance on “exchanges,” or face a penalty.

While the White House contends that cutting payments to providers will not result in a reduction in benefits for Medicare recipients, the reality is clearly different. Medicare’s own actuaries have estimated that these cutbacks could force 15 percent of hospitals to close. An article in the journal *Health Affairs* earlier this month reported that already 17 percent of doctors are not accepting new patients covered by Medicare.

Moreover, under its “less is more” model, the Obama health care overhaul establishes mechanisms such as the Independent Payment Advisory Board through which “unnecessary” and “wasteful” treatments and procedures can be identified and targeted for rationing or elimination. The combination of a shortage of health care providers and a reduction in services will inevitably result in a drastic deterioration of care for the vast majority of seniors.

Denouncing the Obama policy as “raiding Medicare to pay for Obamacare,” Romney and his running mate Rep. Paul Ryan of Wisconsin say that Medicare must be destroyed as a government-run program in order to be “saved.” Romney advocates transforming the program into a “premium support” system, in which seniors would be provided a fixed-sum government voucher to purchase insurance on exchanges similar to those under the Obama health care legislation.

The Romney proposal is based on a bipartisan proposal that includes similar features. That plan, drafted by Ryan and Senator Ron Wyden, Democrat of Oregon, calls for government-subsidized vouchers in addition to calling for more than \$700 billion in cuts to Medicare.

The mainstream media, including what passes for its liberal wing, would have the American public believe that a “realistic” reform of the Medicare program can be achieved only through the Obama health care overhaul, the Romney voucher program, or something in between. Under conditions where corporate profits continue to soar and CEOs award themselves seven- and eight-figure compensation packages, they repeat the lie that there is “no money” to finance vital social programs such as Medicare.

Typical is an August 19 piece in the *Washington Post* headlined “Why Ryan Might be Right About Medicare” by liberal columnist Robert J. Samuelson. He writes, “Almost everyone agrees that the delivery system—the amalgam of hospitals, clinics, doctors and nurses—should be reorganized to lower costs and eliminate unneeded care. The question is how.” He adds, “Voucher plans are not right-wing, extremist ideas. They enjoy support in both parties.”

From the beginning, the *New York Times* has been an enthusiastic supporter of Obama’s health care legislation, insisting that it will result in an improvement in care for the average American. An August 18 editorial titled “Truth and Lies About Medicare” notes the similarity between the insurance exchanges set up under the Obama bill and the Romney-Ryan voucher proposal for Medicare.

The editorial argues that while it is “one thing to provide ‘premium support’ for uninsured people who cannot get affordable coverage in the costly, dysfunctional markets that serve individuals and their families” the strategy may not work for “older Americans who have generous coverage through Medicare and who might well end up worse off if their vouchers failed to keep pace with the cost of decent coverage.”

However, far from rejecting turning Medicare into a voucher program, the *Times* writes, “Before disrupting the current Medicare program, it would be wise to see how well premium support works in the new exchanges.”

Destroying Medicare as a universal, government-run program and privatizing it is, according to the establishment liberal newspaper of record, a legitimate proposal.

Whichever candidate eventually occupies the Oval Office, working people in the US will face more

austerity and a historic assault on social programs upon which millions of people depend.

The speed and intensity of this assault will likely come as a shock to many and will inevitably provoke a broad and explosive social reaction. This outrage must be guided by a new, socialist perspective, which includes putting an end to medicine-for-profit and establishing free, high-quality, socialized health care as a basic social right of the working class.

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